

**TOWN OF ROCKY HILL  
FINANCE COMMITTEE  
MEETING OF AUGUST 13, 2014**

Present: Chairwoman Cathy Vargas, Councilor Guy Drapeau and Councilor Bill MacDonald. Also present were John Mehr (Finance Director/Acting Town Manager), Mona McKim (Treasurer), Chief Mike Garrahy (RHFD) (Entered at 4:41 p.m.) (Left at 4:52 p.m.) and Fire Marshal Rich Renstrom (Left at 4:52 p.m.)

Chairwoman Cathy Vargas called the August 13, 2014 meeting of the Finance Committee to order at 4:30 p.m. in the Council Chambers, Town Hall, 761 Old Main Street, Rocky Hill, CT.

- I. ACTION – APPROVAL OF MINUTES – JULY 16, 2014 SPECIAL MEETING**
- II. ACTION – APPROVAL OF WORKING NOTES – JULY 16, 2014 SPECIAL MEETING**
- III. ACTION – APPROVAL OF MINUTES- JULY 16, 2014 MEETING**
- IV. ACTION – APPROVAL OF WORKING NOTES - JULY 16, 2014 MEETING**

**Councilor Guy Drapeau made a motion to approve the Minutes and Working Notes of the July 16, 2014 special meeting of the Finance Committee and the Minutes and Working Notes of the July 16, 2014 regular meeting of the Finance Committee. The motion was seconded by Councilor Bill MacDonald and adopted unanimously.**

**V. DISCUSSION/ACTION – STATE OF CT FERRY PARK RESTROOM PROJECT – FINANCE DIRECTOR**

Finance Director/Acting Town Manager John Mehr said the Town had received a contract from the State approximately one month ago that related to the State putting restrooms in at Ferry Park and the Town would be maintaining this for the rest of their useful life. He told the Councilors that he had provided to them a copy of the Town Attorney's opinion, which he had just received today, of the State's contract. The Town Attorney is looking upon this very unfavorably because of this being very slanted towards the State and he is very concerned about excess costs that would have to be paid by Rocky Hill for the building of this, as well as for the maintenance of this. He is not recommending that they agree to this contract as it is written. Finance Director/Acting Town Manager John Mehr said that they could go back to the State to try to have some of the points clarified. He then mentioned that he had clarified a couple of points. One of the sections in this contract, Section 2.02, is referring to the project and he said that this could be interpreted two ways. This could be the State building for the Ferry Captains, as well as the restrooms, or this could be for just the office building for the Ferry Captains. He said that the facilities would mean the restrooms that the Town would be responsible for. He explained that this section had referenced the project but he questioned if this should be facilities and he said

that the person at the State had agreed with him about that. Section 2.02 should be just with regards to the restroom costs.

Finance Director/Acting Town Manager John Mehr believes the contract for this is a boilerplate type of one and he said reference was made to some sort of insurance that would be needed near a railroad track but Rocky Hill was told it wouldn't be necessary in their case. He said this is more along the lines that this would be a good concept with the understanding that this would be built by the State and that the Town would maintain this. They will move forward with the State with regards to having the contract cleaned up and they will have to come back at their September meeting probably for a yes or no on this if they want to continue pursuing this or he said that they could just end this here and now.

Finance Director/Acting Town Manager John Mehr said that Lisa Zerio (Director of Parks and Recreation & Custodial Services) had provided some of the costs for this which would primarily be the cleaning of this. This would be approximately \$30 per day. Finance Director/Acting Town Manager John Mehr said that the Town would probably be responsible for electricity depending upon what write-up they read and it looks like the State will be responsible for water. The Town would just be responsible for the general wear and tear maintenance by going forward with this.

Chairwoman Cathy Vargas asked the Councilors if they had any comments. Councilor Guy Drapeau thinks the Town has too many other things to worry about and to spend money on so he said that he would not be supporting this. He said for them to let Glastonbury do this. Finance Director/Acting Town Manager John Mehr said that this project would get started in 2015. Councilor Guy Drapeau referred to the Port A Potties that they have had for a number of years that have served them well and he said it would be a minimal cost with regards to the Port A Potties if a flood was to happen. He said that they still have another business out there that will be putting a bunch of condos up and maybe they could approach them with regards to having a public restroom put in and have them service this. He mentioned that he won't be supporting this on this Committee and he guessed it would be fine if Lisa Zerio wants to bring this to the Town Council so that they could all vote on it.

Councilor Bill MacDonald said he is all in favor of this concept and this is something that they absolutely need down there. He agrees with this concept when they look at what is going to happen over the next few years down by the Connecticut River. He said that the Town shouldn't pay to have a restroom built though and he said that the contract does have a lot of holes in it. He is in favor of having this contract go back to the State and in having the Staff work with the State to come back with a contract that will really fit into what they all agree to or to what they have agreed to prior to this. He said it has nothing to do with the Rocky Hill side if they think that they will let Glastonbury build this or for them to think that a developer will put public restrooms in. He told them that this is a great opportunity but this isn't going to work the way that the contract is written and he doesn't think that this contract is a good one for Rocky Hill. He also didn't think it would be in the best interest of the Town to have this "killed" at a Finance Committee meeting now.

Chairwoman Cathy Vargas asked if there is any way that Lisa Zerio could go back with these questions. Chairwoman Cathy Vargas said that she isn't in favor of the Town spending a lot of money. She referred to the numbers that Lisa Zerio had given to them "right off the bat". This would be at least \$3,000 more a month, plus supplies, etc. Finance Director/Acting Town Manager John Mehr said the person who they are dealing with at the State is waiting for the Town Attorney's comments so they can follow up with that person this week or next week seeing they just got these comments today.

Chairwoman Cathy Vargas referred to some Working Notes with regards to this item and she remembers in reading them that she had asked Lisa Zerio what would happen after sixty days. Lisa Zerio was going to research that. Chairwoman Cathy Vargas knew that Lisa Zerio was on vacation this week. Chairwoman Cathy Vargas said they still had a lot of questions and she is curious to find out what the timeframe is because this is not going to be built until next year. She asked if they could work on the costs. Finance Director/Acting Town Manager John Mehr said that they can follow-up with the person at the State about the sixty day rule. They are targeting for a September 15, 2014 or September 16, 2014 timeframe for the Town to say yes or no about this after meeting to discuss some of the concerns about the contract. Chairwoman Cathy Vargas thinks that Town Attorney Morris Borea's e-mail had some very valid concerns. She asked Finance Director/Acting Town Manager John Mehr if he will touch base with whoever they need to touch base with and he said yes. Chairwoman Cathy Vargas said thank you.

## **VI. DISCUSSION/POSSIBLE ACTION – FIRE MARSHAL VEHICLE – FINANCE/ FIRE MARSHAL**

Chairwoman Cathy Vargas told the Councilors that they had a Resolution in their packets. She knows at the last Finance Committee meeting that they had voted to have this item brought to the Town Council but she personally didn't vote to have this added to the Town Council agenda at their last meeting because they hadn't been given the financial information or the actual Resolution. She doesn't like coming to the Council table with financial information that they haven't had a chance to review. She told the Councilors that they did have all of the information there now. The Resolution is stating that this will be for a Ford 4X4 and this is versus the Expedition that they had talked about the last time. The first year's lease payment of \$10,091.72 would be coming out of the nonrecurring expenditure fund. The Resolution has the detail for the lease, etc. She told the Finance Committee that there is really no action needed by them but she asked Finance Director/Acting Town Manager John Mehr to add this to the Town Council's agenda for its meeting on Monday evening so that the Town Council will be able to act on this at that point. Finance Director/Acting Town Manager John Mehr said okay.

Councilor Bill MacDonald said he thought this Committee had to vote on this. Councilor Guy Drapeau said they had the last time. Councilor Bill MacDonald questioned if that was to add it to the agenda (Town Council) and then he said that it wasn't added to that agenda though. He thinks that this Committee would have to vote on this in order to have it brought forward and put on the Town Council meeting agenda. Chairwoman Cathy Vargas said the information wasn't available the last time that they had said that they would bring this forward and she said this item also wasn't on that agenda. She told Councilor Bill MacDonald that it was fine if he wanted them to take another vote on this. Councilor Bill MacDonald thought they should have a motion

and discussion for proper process to have this moved forward if they wanted it to. Chairwoman Cathy Vargas told Councilor Bill MacDonald to go ahead and make a motion if he wanted to.

**Councilor Bill MacDonald made a motion to forward the Resolution – Acquiring/Leasing – 2015 Ford F250 4X4 – Fire Department to the Town Council as a related agenda item for the Town Council’s next meeting. The motion was seconded by Councilor Guy Drapeau and adopted unanimously.**

**BE IT RESOLVED, that the Rocky Hill Fire Department is authorized to acquire one 2015 Ford F-250 4X4 S/C at a cost of \$28,040.00 from Crowley Ford, 225 New Britain Avenue, Plainville, CT. This vehicle will be used by the Fire Marshal.**

**BE IT RESOLVED, that the Town Manager, or the Finance Director, is authorized to enter into a three (3) year lease arrangement for the above 2015 Ford F-250 with Ford Credit Municipal Finance, the leasing arm of Ford Motors. The Town will be making three annual payments of \$10,091.72. This first payment in the 2014-2015 budget year will be charged to the Reserve for Capital and Nonrecurring Expenditure Fund under the project line Fire Department. The next two installment payments will be charged to the Capital Improvement Budget project line (01-950-000-5762) for Vehicles – Fire Department in the 2015-2016 and 2016-2017 budget years. At the end of the lease period, the Town will own the Ford F-250 outright.**

Before this motion was voted on, Councilor Bill MacDonald said not only had this not been brought to the Town Council but a vote had been taken to have this item discussed and that had been denied. He hopes if there were any questions today that this Committee could all be in alignment as to what is going on when they go to the Town Council. Councilor Guy Drapeau said that was a bit presumptuous. Councilor Bill MacDonald said for them to have a discussion on this. He said it would be one thing for them to say to have this “shoved up” to the Town Council and then the Town Council will look to this Committee but they will say that they had never really talked about these numbers. He thinks this is a great thing and he said that he is all in favor of it. They are putting one of their top fire safety personnel at risk every day by having him driving this “old piece of junk”. He is wondering why the Finance Committee isn’t taking an affirmative stand. He mentioned if they aren’t supporting this because there is a problem with the numbers that they should talk about this now at their meeting because this is the purpose of a Finance Committee.

Chairwoman Cathy Vargas referred to previous Working Notes from their last meeting and she told the Councilors if they read those that she had asked for a list of the other Town vehicles. She said that Glenn Parent (Highway Supt./Recycling Coordinator) had been present then and they had discussed everything. Chairwoman Cathy Vargas said this item hadn’t been brought up at budget time so she had questioned if they could maybe move the vehicle that the Building Inspector has. She also said that Glenn Parent had made a comment that the pictures that were presented are not always the actuality and he had mentioned that he would probably be taking the Fire Marshal’s vehicle to repair it and put it back into the fleet. Chairwoman Cathy Vargas said all of that was stated in the Working Notes from that meeting. She said with all due diligence that she had brought that forward. She mentioned that she had wanted to discuss it and exhaust

it. She said that it seemed like a motion came forward to have this leased for them to move forward. These were her concerns the last time and she said that she is still a little concerned because they haven't checked to see if the Building Inspector would be willing to move this vehicle over. Chairwoman Cathy Vargas said she is still questioning how the Fire Marshal's vehicle had corroded so quickly when it hadn't been in such a serious condition. She doesn't know who had looked at this vehicle to deem it unsafe. She does feel bad if the Fire Marshal is still driving something that he shouldn't be because it is unsafe. Chairwoman Cathy Vargas said that someone needs to come forward to tell them this. The Fire Marshal shouldn't be driving this at all if it is unsafe and he shouldn't be waiting until he gets a new vehicle. Chairwoman Cathy Vargas said the Town Council will also need to make the decision as to whether they want to have this vehicle purchased over a three year period. She thinks that she would be remiss if she didn't ask questions.

Councilor Bill MacDonald told Chairwoman Cathy Vargas that he thinks the time for them to talk about these things is at the Finance Committee meetings. Chairwoman Cathy Vargas said she did. Councilor Bill MacDonald told Chairwoman Cathy Vargas that she didn't let them talk about this because she didn't have this put on the Town Council agenda so that they could discuss it at that meeting. Councilor Bill MacDonald said they have pictures showing frame rot on the Fire Marshal's vehicle and he said that Glenn Parent can't fix that. Councilor Bill MacDonald said if any auto body person is spoken to that they will say that plates can't just be welded to a frame. Councilor Guy Drapeau asked for the question to be moved. Councilor Bill MacDonald said he had the floor and he told Councilor Guy Drapeau that he always cuts the Councilors off when they are talking. Councilor Bill MacDonald said he has never done that once to the Councilors. He said that they were having a discussion about the safety of the Fire Marshal's vehicle and he said that it is really disrespectful that there is a Councilor there who is "smirking" and saying for this to be moved forward because they have decided this already. Councilor Bill MacDonald told the Councilors that they could do what they wanted to with this and they could live with the consequences. Chairwoman Cathy Vargas told Councilor Bill MacDonald that she wasn't cutting his discussion off but she told him to please not say that she didn't bring these things to this Committee's attention the last time because she said that she did. Chairwoman Cathy Vargas said she had this all highlighted and it wasn't acknowledged. She told Councilor Bill MacDonald that she didn't know what he wanted her to say and she told him that she had brought this up but he didn't want to even entertain it. Councilor Bill MacDonald said they had a quote to lease a vehicle and that was at the request of Councilor Guy Drapeau at the meeting they had. Councilor Bill MacDonald mentioned the photographs again and he said that this vehicle is absolutely something that none of the Town employees should be driving. He mentioned that he is at a loss as to why this Committee isn't saying that this thing is a good thing. They got the information now which took them a little longer to get but he told them to move forward with a decision that is unanimous from this Committee as to them wanting to get this vehicle for the Fire Marshal. Councilor Bill MacDonald told them that he doesn't know why they can't get there.

Chairwoman Cathy Vargas said she doesn't understand why this had not been brought up during budget time and when the RHFD had come in front of them, this wasn't even "on the radar screen". This item had been brought to the Public Safety Committee after the budget had been passed. The Public Safety Committee had recommended that this come to the Finance

Committee and the Finance Committee had said it would look at this. She mentioned that the Fire Chief had mentioned that he thought he had money that was offline that could be used to purchase this. She mentioned that the money they had put into nonrecurring at this Committee's last meeting was for training and for storm standby. She said that \$10,000 will be taken out of that in order to pay for the first year's lease for the vehicle if they do this Resolution and she said that she hopes the Fire Chief recognized that. Chairwoman Cathy Vargas said they had gone through this during the budget process and that is where they put the money. She mentioned again how this was going to be for an Expedition the last time and now this is for a 4X4 truck. She then said that she guesses that the Fire Marshal needs something for the back of his vehicle. Finance Director/Acting Town Manager John Mehr said this would be to separate the Fire Marshal's equipment from where he sits. Chairwoman Cathy Vargas said they also haven't asked the Building Inspector if he could move his vehicle around just for one year so that he could have something else to drive. She said that no one has come forward to deem the Fire Marshal's vehicle as being unsafe and she said that he is still driving it even though she doesn't think that anyone should be driving a vehicle that is unsafe. Councilor Bill MacDonald said this is because the Fire Marshal has no other option. He referred to this not having come up at budget session and he said there have been many things that have come up the last couple of months. He told Chairwoman Cathy Vargas that he hasn't been on the Town Council as long as she has been so he isn't sure what the fleet management is for the Town vehicles. Councilor Bill MacDonald said it isn't up to each individual driver though to do an inspection on the vehicles. He thinks they have a bigger issue on their fleet management and they are trying to get at that by them getting some new vehicles instead of having the ones that are rotting and rusting away.

Councilor Bill MacDonald asked Chairwoman Cathy Vargas why they hadn't asked other people to come to this meeting today if she had all of these questions. Councilor Bill MacDonald said that his fear is they are going to push this item to the Town Council and they will have this same discussion. He then mentioned about them solving these issues at the Committee level because they know that is the purpose of a Committee. He asked why these questions haven't been answered and he told Chairwoman Cathy Vargas that he had never gotten those questions from her with regards to having an inspection done on the vehicle etc. Councilor Bill MacDonald said maybe he has missed that. He asked if the Town Manager has ever been asked to have someone or the Department of Motor Vehicles come in to do a safety inspection of the vehicle. Chairwoman Cathy Vargas said she was asking who deems that something is unsafe to drive. Councilor Bill MacDonald said that the Fire Marshal took his vehicle to an auto body shop and there is \$8,000 worth of rot to the body and the frame of it. Councilor Bill MacDonald told the Councilors that they aren't vehicle experts but he said that a picture is worth a thousand words. He asked Chairwoman Cathy Vargas if she was telling him that she would put her kids in the Fire Marshal's vehicle and he told her that there is no way she would. Chairwoman Cathy Vargas said the Parks and Recreation Department had brought pictures last year to the Town Council with regards to that department getting a truck. There had been repercussions for that because they had tried to "exasperate" the situation so that they could get a new truck. Councilor Bill MacDonald said that has nothing to do with the Fire Marshal driving this vehicle. Chairwoman Cathy Vargas said that she wasn't saying that but this has happened in the past. Councilor Bill MacDonald said this had nothing to do with the conversation they were having now. Chairwoman Cathy Vargas said again that she was just saying that this had happened in the past. Councilor Bill MacDonald told them to move this to the Town Council and for them to

have this conversation in front of the people who are in the audience so that they can really understand how this Town is being managed with regards to putting the employees in these vehicles (after looking at these pictures) and how it is being managed with regards to its fleet vehicles. He also asked Finance Director/Acting Town Manager John Mehr to have these pictures put up on the screen as part of the agenda item for Monday evening's Town Council meeting. Chairwoman Cathy Vargas said she was going to ask Finance Director/Acting Town Manager John Mehr to do this as well plus she was going to ask him to have the list of the vehicles they have in their fleet.

Chairwoman Cathy Vargas asked for a motion to have this item moved forward to the Town Council. Councilor Guy Drapeau said they already had a motion on the floor.

At this point, the motion was voted on.

Fire Marshal Rich Renstrom told the Councilors that he could answer some of their questions. Councilor Bill MacDonald told Fire Marshal Rich Renstrom that it would be great to hear from him. Fire Marshal Rich Renstrom referred to the question about his vehicle not being in the budget and he said this was because it had been cut out of the Town Manager's budget for the last three years. The RHFD's Mechanic has been tracking the frame rot for two years and this has been getting worse progressively. Fire Marshal Rich Renstrom said that he had been on vacation when the RHPD's twin vehicle to this was deadlined so the RHFD's Mechanic took the initiative to inspect the frame. There was a significant amount of damage from the course of the fall through the winter. This had been brought to the attention of the Town Manager (Barbara Gilbert), who had suggested having it taken to the Public Safety Committee. Fire Marshal Rich Renstrom said they have asked to have this vehicle replaced in two different budgets.

Chairwoman Cathy Vargas said it was unfortunate that this hadn't been brought to the Councilors' attention. Fire Marshal Rich Renstrom said they did bring this forward.

Chairwoman Cathy Vargas said it had been brought forward to the Town Manager but it wasn't brought forward to the Town Council. She then referred to when the RHFD had its wish list session with the Town Council and she mentioned for something like this to be brought to them in the future so that they are aware of this. She said this had never been discussed at the Council table and she wasn't aware of it. She thanked Fire Marshal Rich Renstrom for the information. Fire Marshal Rich Renstrom said they can do this going forward if this is the process but they have been watching this vehicle for two and a half years. This isn't something that happened overnight. Chairwoman Cathy Vargas thanked Fire Marshal Rich Renstrom very much.

## **VII. MONTHLY FINANCIAL REPORT – JUNE 2014 (PRE AUDIT) – FINANCE**

Finance Director/Acting Town Manager John Mehr said the pre-audit report had been given last month on the revenues and they had the pre-audit numbers this month for the budgetary expenses that ended June 30, 2014, as well as for what they are projecting the fund balance to be for the end of June 30, 2014. The encumbrances and the expenditures are projected at being a little more than \$66,000,000 and they are looking at a surplus right now of approximately \$255,000. He explained some more about this.

Chairwoman Cathy Vargas asked the Councilors if they had any questions. Councilor Bill MacDonald confirmed them being \$255,000 under and Finance Director/Acting Town Manager John Mehr said yes. Councilor Bill MacDonald referred to the tax appeals and he said it looks like the amount expended has tripled compared to the budget. He asked if there is a higher number of appeals they had than they thought they would. He knows that they budget a bucket amount that they think they will be losing in the Grand List because of this. He started to ask if there is any correlation between the amount they are spending on legal fees when Finance Director/Acting Town Manager John Mehr started talking and he said that they probably didn't think of having tax appeal cases being hit in this current year's budget. They projected these to hit in next year's budget. He thinks they requested an increase in that. The number of cases that are being appealed will cause more hours of the Attorney's time, etc. He didn't anticipate the legal expenses to start hitting by June 30, 2014 this year but he said they have been apparently, especially in June. They have budgeted for more money next year. Councilor Bill MacDonald said he imagines that they should be under budget next year if they are getting more appeals this year than for next year. Finance Director/Acting Town Manager John Mehr said it is probably the setting up of the cases now and having the briefs done. He mentioned that the key will be the amount of hours that are spent preparing for cases if they go to court. He thinks this will be how long it takes to get to an agreement and he explained some more.

Councilor Bill MacDonald referred to Page 55 of this with regards to the Capital Improvements. They had an efficiency study and he guessed there was originally \$70,000 for that. Finance Director/Acting Town Manager John Mehr said yes. Councilor Bill MacDonald said that must have been from a while ago. Finance Director/Acting Town Manager John Mehr said the efficiency study had been for \$75,000 and that was used to pay for the Executive Search (for the Town Manager) and for the IT Study. He explained some more. Councilor Bill MacDonald said the efficiency study includes many items. Finance Director/Acting Town Manager John Mehr said it includes those two things right now.

Councilor Bill MacDonald said the entire RHFD was supposed to be looked at as to where they came out for the year (in their budget). He thinks this had been stated in previous Working Notes for this Committee. He asked how this had turned out overall for the RHFD. Finance Director/Acting Town Manager John Mehr thinks the RHFD had a surplus in the range of \$34,000 to \$35,000. Councilor Bill MacDonald asked if that included the \$27,000 that was transferred. Finance Director/Acting Town Manager John Mehr said yes and he said the surplus would be after that. Councilor Bill MacDonald asked if the RHFD had been under by \$61,000 before that. Finance Director/Acting Town Manager John Mehr said yes. Councilor Bill MacDonald confirmed that the RHFD is still under by \$34,000 for the year even though \$27,000 has already been transferred. Finance Director/Acting Town Manager John Mehr said yes. Councilor Bill MacDonald then made the comment about how they can't get the Fire Marshal a truck.

Chairwoman Cathy Vargas asked Councilor Guy Drapeau if he had any questions and he didn't. Chairwoman Cathy Vargas thanked Finance Director/Acting Town Manager John Mehr.



**VIII. ACTION – BUDGETARY TRANSFERS – JUNE 30, 2014 – FINANCE**

Finance Director/Acting Town Manager John Mehr said this relates to the balancing out of those budgets that are under and those that are over so that all of their various fifty-five different budgets are under budget and nothing is in a deficit position when the auditors come in. Chairwoman Cathy Vargas asked if this had been e-mailed to them last night and Finance Director/Acting Town Manager John Mehr said yes. Chairwoman Cathy Vargas said this was also on the Council table today.

Chairwoman Cathy Vargas asked the Councilors if they had any questions on this. Councilor Guy Drapeau said this is pretty clear. Chairwoman Cathy Vargas asked for a motion to have these moved to the Town Council for their agenda for their meeting on Monday evening.

**Councilor Guy Drapeau made a motion to approve the Resolution for the Budgetary Transfers and forward this to the Town Council (for its Consent Agenda). The motion was seconded by Councilor Bill MacDonald and adopted unanimously. (Please see the attachment.)**

**IX. ACTION – YEAR END CAPITAL EXPENDITURES TRANSFERS – JUNE 30, 2014 – FINANCE**

Finance Director/Acting Town Manager John Mehr mentioned again how they are projecting out the surplus of \$255,000. The Town received a STEAP (Small Town Economic Assistance Program) Grant for \$444,000 for McVicar field. They are recommending transferring this to go with the other monies they had last year and they suggested that \$50,000 be budgeted for McVicar Field. He told them that they should probably look at having the track replaced as well for the next budget session depending on how the Rocky Hill High School Renovate as New project is going and depending on the timing of putting the new field in. This will give them more seed money to go towards that or this will at least cover any excess costs that will be greater than the \$444,000. Their surplus will be knocked down to approximately \$205,000 by the transferring of that money and they are still projecting coming out at a 7% fund balance, which looks good. He explained some more.

Chairwoman Cathy Vargas asked the Councilors if they had any questions and there were none. She asked for a motion to have this item moved forward to the Town Council for Monday.

**Councilor Guy Drapeau made a motion to approve the Resolution for the Year End 6/30/14 Capital Expenditures and forward this to the Town Council (for its Consent Agenda). The motion was seconded by Councilor Bill MacDonald and adopted unanimously.**

**WHEREAS the Town Manager has recommended that certain unencumbered balances from the 2013-2014 Budget be reserved to be expended in future years until completed.**

**BE IT RESOLVED THAT the following projects be and hereby are reserved for the purpose of expending the funds as reflected below in future years until completed.**

**Ground Improvements – McVicar**

**\$50,000.00**

Before this motion was voted on, Chairwoman Cathy Vargas said there will be \$200,000 in nonrecurring by them adding this \$50,000 for McVicar Field.

At this point, the motion was voted on.

Councilor Guy Drapeau asked how much they will ultimately need for McVicar Field. Finance Director/Acting Town Manager John Mehr thinks the track will cost around \$350,000 and Councilor Bill MacDonald said the cost of the carpet will be \$500,000 so this project will be close to \$1,000,000. Councilor Guy Drapeau said they are getting there and he said they have grant money for this. Councilor Bill MacDonald said they have \$444,000. Councilor Guy Drapeau said this could be worse and it could be zero.

**X. LEGAL BILLS (JUNE) – ACTING TOWN MANAGER/FINANCE**

Finance Director/Acting Town Manager John Mehr told the Councilors that he gave them a copy of June's legal bills, as well as a summary of the various cases and the costs of some of them for the full year. Chairwoman Cathy Vargas asked for a motion to have this forwarded to the Town Council.

**Councilor Guy Drapeau made a motion to approve the Legal Bills and forward these to the Town Council (for its Consent Agenda). The motion was seconded by Councilor Bill MacDonald and adopted unanimously.**

**BE IT RESOLVED THAT the Town Council/Finance Committee hereby authorizes the payment of the following legal bills for services rendered.**

<b>Rome McGuigan, P.C.</b>	<b>\$20,322.64 (June)</b>
<b>Joseph Fasi LLC</b>	<b><u>\$ 0.00</u></b>
<b><u>TOTAL</u></b>	<b><u>\$20,322.64</u></b>

Before this motion was voted on, Councilor Bill MacDonald knew they had a discussion at this Committee's last meeting about the legal bills as they related to the investigation that was being performed on the RHFD. Those bills were not moved forward so those were still within this Committee. He asked where they are on those. Finance Director/Acting Town Manager John Mehr said there will be a discussion about this in their Executive Session with the Town Attorney at Monday evening's Town Council meeting. Chairwoman Cathy Vargas said she went through the legal bills for June and she didn't see anything with regards to that.

Finance Director/Acting Town Manager John Mehr referred to Councilor Bill MacDonald's assessment question earlier in this meeting and he told him that the big driver had been one case.

At this point, the motion was voted on.

**XI. UPDATE – TOWN TAX REVENUES FOR JULY 2014 – FINANCE**

Finance Director/Acting Town Manager John Mehr said they usually don't do any budgetary expenditures until September generally after the auditors leave because of year end closing and the opening, etc. of the new year's books. He told the Councilors that he did provide for them the first month of tax collection from the Tax Collector. Their first month went well and they are ahead of their three year average.

Chairwoman Cathy Vargas asked the Councilors if they had any questions on this and they didn't.

**XII. OTHER**

Chairwoman Cathy Vargas asked Finance Director/Acting Town Manager John Mehr if he had anything else. Finance Director/Acting Town Manager John Mehr said bids had come back for eighteen different trades for the Rocky Hill High School Renovate as New project. Scope reviews are being done this week by the Architect and the Construction Manager, etc. of seven critical trades that they need to award contracts to. There will hopefully be a start date in September for the project. The other trades will come onboard down the road but those aren't as critical sensitive as the seven that are being reviewed now.

The BANS that had been done in May will be maturing in October. Finance Director/Acting Town Manager John Mehr said that hopefully they will have good numbers within a week or two on the costs associated with the Rocky Hill High School Renovate as New project, as well as the cash flow needs of it. It might be a good time for them to go out for their first bonding, which will probably be around \$10,000,000. That will cover the cost of a lot of the expenses that are upfront. Chairwoman Cathy Vargas asked Finance Director/Acting Town Manager John Mehr if this is something that he will keep them in the loop on and he said yes. Finance Director/Acting Town Manager John Mehr said they will have to meet with the rating agencies with regards to the issuing of bonds that are in the range of \$70,000 to \$80,000 but he said hopefully that they will at least be locking in at some good rates and they will have an established debt service schedule that will be for twenty years. This probably won't just be for that project and he mentioned the road referendum, which will be approximately \$4,000,000 of this. He said also on Monday evening at the Town Council meeting, the Town will be acquiring the Hayes farmland when the easement passes. Councilor Guy Drapeau asked Finance Director/Acting Town Manager John Mehr where he came up with the amount of \$10,000,000. Councilor Guy Drapeau asked if that is just the steel cost and he told Finance Director/Acting Town Manager John Mehr that he was only asking him this because he doesn't want to get into an arbitrage scenario by pulling out too much money too early. Finance Director/Acting Town Manager John Mehr said they always try to be a small issuer in order to avoid that and they are trying to stay within \$10,000,000 or whatever it is to consider new money for that year. He explained some more. Councilor Guy Drapeau told Finance Director/Acting Town Manager John Mehr that he recognizes that he is in a tough spot because the rates are inching up. Finance Director/Acting Town Manager John Mehr said he generally works with the Bond Counsel for new money and he thinks they had started their first BAN about two years ago. They did some last year and then they did some this year so that they could keep issuing new money. This could be higher than

the \$10,000,000 but he said this will avoid the arbitrage because it is considered a small issue. Councilor Guy Drapeau said good.

Chairwoman Cathy Vargas asked Councilor Bill MacDonald if he had any questions for Finance Director/Acting Town Manager John Mehr on this. Councilor Bill MacDonald referred to the Rocky Hill High School bids and he asked Finance Director/Acting Town Manager John Mehr if he could give him a high level view as to how those had come out compared to what they were expecting. Councilor Bill MacDonald said there was the referendum number that they had all voted on and then they got the extra money from the State so he said they were then at a different number. Finance Director/Acting Town Manager John Mehr said the referendum was around \$44,500,000 and this was increased up to \$50,000,000 by State legislation. He believes that they are over budget by \$1,000,000 to \$1,200,000 according to the way that the bids had come in based on the soft costs and the construction costs. Councilor Bill MacDonald confirmed that they are at \$51,000,000. Finance Director/Acting Town Manager John Mehr said they are at \$51,000,000 to \$51,200,000. They are looking to rebid three of the trades though and they are also working on the scope reviews to see if they can come in with some additional savings. There were some really good numbers for one of the trades but then a contractor pulled his bid because he realized he had made a mistake. That was a \$1,000,000 shift there. Councilor Bill MacDonald said that took this from \$50,000,000 to \$51,000,000. Finance Director/Acting Town Manager John Mehr said yes. He explained some more about that. Councilor Bill MacDonald asked if they will get all of the documentation for the bids at Monday evening's Town Council meeting. The contract will be held by O & G Industries, Inc. The Town Council will be approving or authorizing O & G Industries, Inc. to enter into contracts with these contractors. Councilor Guy Drapeau started talking and Councilor Bill MacDonald told him to let Finance Director/Acting Town Manager John Mehr finish talking. Councilor Bill MacDonald then told Councilor Guy Drapeau to relax. Councilor Guy Drapeau said he had a bully next to him. Councilor Bill MacDonald said that is something that is not said in public so he said that maybe that is a violation. Chairwoman Cathy Vargas asked for a timeout. Councilor Bill MacDonald asked Chairwoman Cathy Vargas to tell Councilor Guy Drapeau that the comment he made was an inappropriate comment to make about another Councilor. Chairwoman Cathy Vargas told Councilor Guy Drapeau that he was out of order. Councilor Bill MacDonald asked Finance Director/Acting Town Manager John Mehr to please finish what he was saying. Finance Director/Acting Town Manager John Mehr said the key for Monday night is for the Town Council to at least award the seven time sensitive and crucial contracts. If O & G Industries, Inc. can come in with a spreadsheet that is legible then something can be provided that will at least list all of the bids that they got in for the various trades so that the Town Council can review that. Councilor Bill MacDonald said he is looking forward to whatever documentation can be provided. He understands that O & G Industries, Inc. has been putting one and two pages together so he wants to make sure that he also has the information and he wants to make sure that he has all of this information too. Finance Director/Acting Town Manager John Mehr mentioned that there will be the latest schedule as well and he said that will be on the Council table on Monday night probably. Councilor Bill MacDonald said that is fine.

**XIII. ADJOURNMENT**

**Councilor Guy Drapeau made a motion to adjourn the meeting at 5:11 p.m. The motion was seconded by Councilor Bill MacDonald and adopted unanimously.**

Respectfully submitted,

Jo-Anne Booth  
Recording Secretary